DEPARTMENT OF AGRICULTURE

WASHINGTON

January 11, 1932.

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★ OCT 16 1936 W
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the Secretary's File Room

Ordered
Sup 1-11-32
#246 Sec
(R)

FILE
P. L. GLADDEN

MEMORANDUM NO. 623

Dr. C. B. Smith, Chief of the Office of Cooperative Extension Work, is hereby designated Assistant Director of Extension Work. He will also act for the Director of Extension Work in the latter's absence.

Arthur M. Hyde.

Secretary.

ANNOUNCEMENT

---

Dr. C. W. Warburton, Director of Extension Work, announces that, effective January 1, 1932, Dr. C. B. Smith, heretofore Chief of the Office of Cooperative Extension Work, will be designated Assistant Director of Extension Work.

In this capacity, Dr. Smith will relieve the Director of the administrative details of the entire Extension Service, involving cooperative extension work, agricultural exhibits, and motion pictures. He will also act for the Director of Extension Work in the absence of the Director.

As assistant to Dr. Smith along the lines of business management and personnel, Mr. Mark M. Thayer will continue as Business Manager. Both Dr. Smith and Mr. Thayer will have their headquarters for the present at 220 Fourteenth St. S. W.

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DEPARTMENT OF AGRICULTURE

WASHINGTON

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★ OCT 16 1936 W
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April 15, 1932.

Ordered Dup 4-15-32 Sec # 326 ©

MEMORANDUM NO. 624.

Amendment of the Fiscal Regulations.

Paragraph No. 73 of the fiscal regulations of the Department is amended to read as follows:

ACCEPTANCE OF BIDS; CONTRACT AND BOND. -- Bids involving $50 or less may be accepted by the proper bureau officer. Where the amount exceeds $50 acceptance and notice thereof shall be by the chief of the division of purchase, sales and traffic except where otherwise provided by special authorization from the Secretary.

Formal contract and bond will be required for all construction work the cost of which exceeds $1,000. In other cases the requirement will be discretionary with the contracting officer.

The former limit of $500, established by Memorandum No. 568, on construction work which can be obtained without formal contract and bond is now raised to $1,000 in accordance with decision of the Comptroller General of March 25, 1932, A-41453, concluding: "No objection will be made at this time to increasing to $1,000 from $500, stated in 5 Comp. Gen. 376, the amount of informal contracts for minor construction work, repairs, etc., which informal contracts do not require performance bonds."

Arthur M. Hyde

Secretary.

COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON

A-41453.

March 28, 1932.

March 25, 1932.

The Honorable,

The Secretary of Agriculture.

Sir:

MEMORANDUM FOR CHIEFS OF BUREAUS, DIVISIONS AND OFFICES:

There has been received your letter of March 18, 1932, as follows:

"Your decision of November 23, 1925, 5 Comp. Gen. 376, authorized the Department to enter into agreements for construction work, repairs, etc., without [illegible] bids [illegible] requiring performance bonds. [illegible] made a similar decision [illegible] Treasury could be arranged for by informal agreements omitting the liquidated damage provision. The applicable statutes in the two cases were different; in the decision to this Department, Act of August 13, 1894, as amended by Act of February 24, 1905, 33 Stat., 811, requiring bond with all formal contracts for public buildings or works or repair thereof; in the decision to the Treasury, Act of June 6, 1900, 32 Stat., 326, section 21, requiring a provision for liquidated damages in contracts for construction or repairs of public buildings under the Treasury. Both statutes, however, concerned the same class of operations and annexed protective stipulations to the contract proceeded, and both were interpreted by you, quoting 5 Comp. Gen., 138, 'as not applicable to informal contracts for minor repairs or additions to public buildings where the amount involved is repugnant --' in the one case to the liquidated damage liabilities and in the other to the requirement of bond.

"The Treasury proposal, in the submission to which 5 Comp. Gen., 138 is responsive, was to establish an exemption limit of between $1,000 and $2,000, or at least approximating $1,000. You concluded at the time that the limit could not properly exceed $500, the figure a little later assigned to this Department in the parallel case. We have, however, noticed your recent decision, A-30818, October 30, 1931, to the Secretary of the Treasury, the gist of which is in the following paragraph: 'However, in view of the showing made in your letter of September 25, 1931, you are advised that no objection will be made to increasing to $1,000 from the $500 stated in 5 Comp. Gen. 138, the amount of informal contracts for minor repairs, etc., to public buildings which need not contain a stipulation for liquidated damages on account of delay.' The Department would be glad to share this extension with the Treasury, just as it shared the original exemption.

Director.

Our experience has accumulated proofs that for the jobs of minor construction and repairs which are numerous in our operations, $1,000 is a more logical limit than $500 of the zone of informal agreements. The bidders are ordinarily individuals or firms of small equipment, capital and scale of operation, who are not in the habit of giving bonds, look askance at them, and either refuse jobs where they are required or obviously advance prices in consequence well beyond the cost of premiums. The influence of the bond stipulation as a restrictive of competition has been especially noticeable in the smaller communities, the site, so far as this Department is concerned, of much of the minor construction and repair work.

"I have therefore to request that the Department be authorized to accept bids for construction or repair work up to $1,000 without execution of formal contract or requirement of bond, in substitution for the $500 exemption now current."

No objection will be made at this time to increasing to $1,000 from $500, stated in 5 Comp. Gen. 376, the amount of informal contracts for minor construction work, repairs, etc., which informal contracts do not require performance bonds,

Respectfully,

J. R. McCarl.

Comptroller General
of the United States.

TIME
MAR 26 1932
Office of the Secretary

U.S. DEPARTMENT OF AGRICULTURE
RECEIVED
APR 15 1932
DIVISION OF APPOINTMENTS

DEPARTMENT OF AGRICULTURE

WASHINGTON

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★ OCT 16 1936 W
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the Secret...

JUN 4 - 1932

Ordered
Sup 6.37
#379

FILE
P.L.O.

MEMORANDUM NO. 625

Committee on Valuation of Lands in Flood Control Area.

The death of Mr. W. W. Ashe of the Forest Service makes it necessary to reorganize the Committee on Valuation of Lands in the Flood Control Area as established by my memorandum No. 594, dated February 27, 1930. From and after this date the Committee shall be constituted as follows:

Dr. L. C. Gray, Bureau of Agricultural Economics, Chairman
Dr. A. G. McCall, Bureau of Chemistry and Soils
Mr. G. R. Boyd, Bureau of Agricultural Engineering
Mr. I. T. Yarnall, Forest Service.

Previous instructions regarding the purposes, duties, and procedure of the Land Valuation Committee remain otherwise unchanged.

Arthur M. Hyde

Secretary.

UNITED STATES DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WASHINGTON, D. C.

May 27, 1932

MEMORANDUM FOR DR. W. W. STOCKBERGER
Director, Personnel and Business Administration

Dear Dr. Stockberger:

I note the suggestion for the reorganization of the special Department Committee on Valuation of Lands in the Flood Control Area. I am in agreement with the suggestion that Mr. George R. Boyd, of the Bureau of Agricultural Engineering, replace Mr. McCrory on this committee. In view of the fact that Dr. Gray's Division is dealing with the economic aspects of valuation, I am inclined to believe that it is desirable that he serve as chairman of the committee as provided for in the accompanying memorandum which I had previously initialed. While Dr. Gray's time is rather fully taken up with various matters, he will have the assistance after the first of June of Mr. Ernst H. Wiecking, a specialist in land valuation, who left the Bureau about two years ago to complete his graduate studies at Harvard University.

Sincerely yours,

Chief of Bureau.

Inclosure

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF CHEMISTRY AND SOILS
WASHINGTON

May 20, 1932.

MEMORANDUM for Doctor W. W. Stockberger

Dear Doctor Stockberger:

I wish to approve Mr. McCrory's recommendation that Mr. George R. Boyd, be made a member of the Committee on the Valuation of Lands in the Flood Control Area. In view of Mr. Boyd's previous close contact with Mr. Ashe, the former chairman, and his familiarity with the War Department plans I feel it would be best to make him chairman of the committee.

Sincerely yours,

Henry G. Knight,
Chief of Bureau.

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ENGINEERING
WASHINGTON, D. C.

IN YOUR REPLY PLEASE
REFER TO FILE No. M-1

May 16, 1932.

MEMORANDUM FOR DR. W. W. STOCKBERGER
Director, Personnel and Business Administration.

Dear Doctor Stockberger:

With reference to the attached memorandum in regard to the valuation of lands in the flood control area, I have a feeling that I am on too many committees of this character and I would like to be relieved of this assignment.

Mr. George R. Boyd, Senior Drainage Engineer of the Bureau, has supervised this project for the Bureau and is more familiar with the work and the Army personnel and regulations than any one in Washington. It occurs to me that it might be a better arrangement to make him chairman of this committee. Under any circumstance, I would prefer that he represent this Bureau on the committee rather than myself.

Very truly yours,

Attachments

Chief of Bureau.

DEPARTMENT OF AGRICULTURE

WASHINGTON

MEMORANDUM NO.

Committee on Valuation of Lands in Flood Control Area.

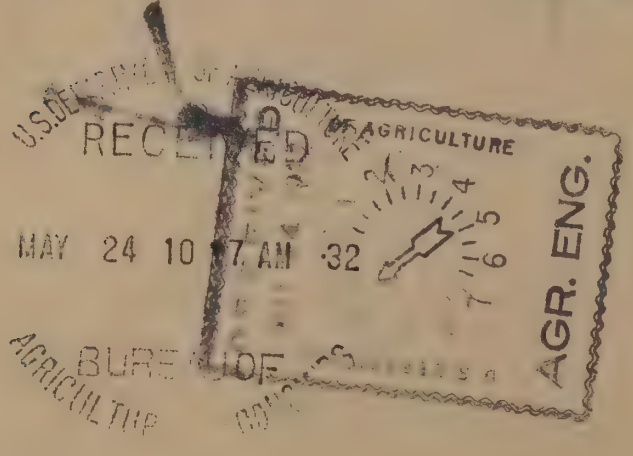
The death of Mr. W. W. Ashe of the Forest Service makes it necessary to reorganize the Committee on Valuation of Lands in the Flood Control Area as established by my memorandum No. 594, dated February 27, 1930. From and after this date the Committee shall be constituted as follows:

Dr. L. C. Gray, Bureau of Agricultural Economics, Chairman
Dr. A. G. McCall, Bureau of Chemistry and Soils
Mr. S. H. McCrory, Bureau of Agricultural Engineering
Mr. I. T. Yarnall, Forest Service.

Previous instructions regarding the purposes, duties, and procedure of the Land Valuation Committee remain otherwise unchanged.

Geo. R. Boyd

Secretary.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DEPARTMENT OF AGRICULTURE
WASHINGTON

Ordered dup 7-5-32 Sec'y (R)

Please return to the Secretary's

JUL 1 - 1932

MEMORANDUM NO. 626

Representative on Federal Real Estate Board

Effective July 1, 1932, Mr. H. A. Nelson is designated as Acting Representative of the Department on the Federal Real Estate Board. Until further notice, all business in connection with the Real Estate Board heretofore conducted by Mr. R. M. Reese will be handled by Mr. Nelson.

Secretary.

DEPARTMENT OF AGRICULTURE

WASHINGTON

Ordered Sup-Sec #41 7-27-32

FILED JUL 26 1932

★ OCT 16 1936 W

Please return to the Secretary's File Room

MEMORANDUM NO. 627

FILE P. L. GLADMON

Administration of Sections 101-3 of the Economy Act.

In the administration of sections 101-3 of the Economy Act of June 30, 1932, Public No. 212, 72d Congress, the five-day week is approved in principle and will be applied to per diem employees in the Department of Agriculture, as provided in section 101(a), wherever it is possible without detriment to the particular activity or project to suspend operations during the last two days of the week. If in the judgment of the chief of bureau such suspension would be prejudicial to the best interests of the service, the provisions of section 101(b) will apply.

In the case of employees where the requirements of the work are such that the provisions of subsection (b) are applied, the following procedure will be observed:

(a) The obligatory furlough is 24 working days, Saturdays counting as half days. A deduction of 1-1/4 days' pay will be made for each day's furlough taken or fraction thereof, but where the deduction exceeds the furlough taken the balance may be credited and taken later. If furlough has not been taken in any half month, a deduction of 1-1/4 days' pay will nevertheless be made at the semi-monthly payment, within the limit of a total deduction for furlough taken or untaken of 24 working days. Decision of Comptroller General of July 8, 1932, A-43276, which see for further details of procedure.

(b) Employees may be furloughed at such times and for such periods as service conditions require, but the convenience of the employee should be consulted so far as possible both as to the time and duration of the furlough. No furlough exceeding 5 days may be imposed in any one month without the employee's consent.

(c) Applications for furlough may be made on Department Form No. 17, "Application for leave." The word "leave" should be canceled and replaced by "furlough."

(d) Paragraph 523 of the Administrative Regulations of the Department is amended by the following addition:

> "The minimum charge for absence on furlough under Sections 101-3 of the Act approved June 30, 1932 (Public 212 - 72d Congress) will be fifteen minutes. Fractions of days will be charged in multiples of fifteen minutes.

(e) Chiefs of bureaus are authorized to furlough under above sections, and to delegate this authority to other officers of their bureaus.

(f) The above regulations apply to obligatory furloughs under the sections cited. Supplemental furloughs to avoid separations through reduced appropriations, Section 216, will be governed by regulations issued by the President.

(g) All authority to grant, and all regulations relating to, annual as distinguished from sick leave, are suspended during the fiscal year 1933. The rules governing sick leave, military leave, and leave without pay remain unchanged until further notice.

C. T. Morrison

Acting Secretary.

DEPARTMENT OF AGRICULTURE

WASHINGTON

OCT 19 1936

Please return to
the Secretary's File Room

September 9, 1932.

Ordered Sup 9/9/32 #100 Sec (R)

MEMORANDUM NO. 628

FILE
P.L. GLADMON

Amendment of the Administrative Regulations

License Plates for Motor Vehicles

The Administrative Regulations of the Department are hereby amended by the addition of the following paragraph:

725. LICENSE PLATES FOR DEPARTMENT-OWNED MOTOR VEHICLES. District of Columbia: License plates for Department-owned motor vehicles headquartered in the District of Columbia will be obtained only upon written request from the bureau concerned addressed to the Office of Personnel and Business Administration, which will conduct all negotiations with the municipal government involving the securing and transfer of titles and tags for all branches of the Department of Agriculture.

Outside of the District of Columbia: Standard Department of Agriculture plates are required to be used on all Department cars headquartered outside of the District of Columbia to the exclusion of any other form of license plate except as may hereafter be specifically authorized by the Director of Personnel and Business Administration. Department plates will be purchased by the bureaus from the Central Supply Section in the usual manner. Records of the use and disposition of the same will be maintained currently at all times in each bureau. Department plates may not be used on vehicles other than those owned by the Department.

R. M. Arnold

Acting Secretary.

9/1/32

1. ~~Dr Stackberger~~
2. ~~Director~~
3. Mr Stahl.

This is an attempt to bring some order out of confusion now existing on auto tags. Doubtless it will be necessary to give some waivers on parts of this to certain bureaus but if this is issued it will be possible to review these special situations as they are presented.

WWJ

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C.

November 15, 1932.

MEMORANDUM NO. 629

Department Real Estate Officer

Effective this date, Mr. H. A. Nelson is designated as Real Estate Officer and as the Representative of the Department on the Federal Real Estate Board. All business in connection with the Real Estate Board heretofore conducted by Mr. R. M. Reese will be handled by Mr. Nelson.

Arthur M. Hyde

Secretary.

DEPARTMENT OF AGRICULTURE

WASHINGTON

Ordered Sup-1-7-33 Order #220

FILED
OCT 16 1936
630
Please return to
the Secretary's File Room

JAN 6- 1933

MEMORANDUM NO. ~~221~~

Consolidation of Supply Operations

The Agricultural Appropriation Act for the fiscal year 1933 provides "that the facilities of the central storehouse shall to the fullest extent practicable be used to make unnecessary maintenance of separate storehouse activities in the several bureaus of the Department." Pursuant to this requirement the supply activities of the various bureaus and offices in Washington will be consolidated to the fullest extent practicable so as to provide for the most economical consolidated procurement, storage and distribution of supplies and the maximum reduction in (a) the number of employees required for this type of work; (b) the amount of Government funds invested in the maintenance of stocks; and (c) the area of office and storage space required.

This consolidation will be accomplished as follows:

(1) By the immediate transfer to the Central Supply Section of the Division of Purchase, Sales and Traffic for storage in the general Federal supply warehouse of all but the minimum working stocks of supplies, equipment, and blank forms now stocked by the bureaus, offices and divisions. No exemptions from this requirement will be permitted except when determined by the Director of Personnel and Business Administration that the proposed transfer is not desirable. Responsibility will be assumed by the Central Supply Section for the storing, issue, shipment and replacement of all stocks so transferred under an operating procedure approved by the Director of Personnel and Business Administration.

(2) By the transfer to the Central Supply Section of the entire responsibility for the retail distribution of supplies to the various branches of the Department in Washington. This involves the elimination of all bureau stocks except the small cupboard or shelf stocks customarily maintained in individual offices and laboratories and which are required to meet the daily requirements of the staff in such offices and laboratories. This change will be accomplished as rapidly as occupancy of space in the South Building or in buildings in the immediate vicinity occurs, unless it shall be found by the Director of Personnel and Business Administration that the transfer at an earlier date is desirable.

(3) Effective January 1, 1933, the various branches of the Department will not purchase direct or otherwise procure for Washington delivery, supplies, equipment, blank forms, or other material carried in stock by the Central Supply Section.

During the remainder of the fiscal year 1933 the additional work assigned to the Central Supply Section will be accomplished by employees detailed to that

Section from the bureaus and offices concerned, as may be determined by the Director of Personnel and Business Administration.

The aggregate of stocks transferred from the bureaus to the Central Supply Section will be reduced as soon as practicable to the required working volume, and the reduction will be converted into cash (purchasing) credits for allotment to the several bureaus in proportion to their original contributions of stock. For this purpose, stock transferred to the Central Supply Section will be inventoried and priced as of the current market value of the serviceable material. Obsolete or unserviceable material will not be included in such inventories.

Arthur Hughes

Secretary.

UNITED STATES DEPARTMENT OF AGRICULTURE
DIRECTOR OF PERSONNEL AND BUSINESS ADMINISTRATION
WASHINGTON

DEC 30 1932

The Honorable,

The Secretary.

Dear Mr. Secretary:

There is attached the draft of a proposed Secretary's Memorandum under the terms of which the consolidation of supply activities of the Department contemplated by existing provisions of law can be accomplished.

Since July 1, 1912 the Department has provided some measure of centralized supply activities under a section of the Agricultural Appropriation Act for the fiscal year 1913 which authorized the Secretary of Agriculture to purchase stationery, supplies, furniture, and miscellaneous materials and transfer the same at actual cost to the various bureaus, divisions and offices of the Department, with reimbursement to the appropriation for "Miscellaneous Expenses" from the lump fund appropriations of the respective bureaus and offices. At the outset the centralized operations were conducted on a very limited scale, but with the reorganization of the Office of the Secretary, effective July 1, 1923, and the consolidation of the purchase and supply activities of the branches then effected, a considerable impetus was given to this movement, and during the fiscal year 1932, the value of the supplies handled by the Central Stores Section of the Division of Purchase, Sales and Traffic aggregated $254,000. Under this plan the retail distribution of supplies was centralized for the immediate Office of the Secretary, the Office of Information, the Office of Experiment Stations, the Extension Service, the Grain Futures Administration, the Department Library, the Bureau of Home Economics, and for the branches of the Bureau of Agricultural Economics occupying space in the immediate vicinity of the Administration Building. Wholesale distribution of a limited number of items of stock was also made to the other branches of the Department, but the retail distribution in these cases was accomplished by the bureau.

Under date of December 13, 1930, the Comptroller General

activities of the Department contemplated by existing provisions of law can be accomplished.

Since July 1, 1919 the Department has provided some measure of centralized supply activities under a section of the Agricultural Appropriation Act for the fiscal year 1919 which authorized the

requested the Department to indicate the authority under which the Central Supply Section was operating and after an exchange of correspondence Mr. McCarl rendered a decision that the authorization quoted in the preceding paragraph was insufficient, and that unless proper legislative authority was obtained the centralized supply activity should not be continued beyond June 30, 1932. In accordance with this decision the Department submitted to the Bureau of the Budget in connection with the 1933 estimates, provision for the amendment of the language of both appropriations (Salaries, Office of the Secretary, and Miscellaneous Expenses) so as to meet the suggestion of the Comptroller General and also to permit the operation of a centralized cleaning force. Several conferences were held with officials of the Bureau of the Budget and after some changes both provisions were incorporated in the Budget for 1933. After the conclusion of the hearings, representatives of the General Accounting Office appeared before the sub-committee of the House Appropriations Committee and registered certain objections to the proposed legislation. Some of these objections were not germane while others represented fundamental differences in policy. As a reconciliation of these points of dissimilarity could not be accomplished within the limited time available before the presentation of the report on the Agricultural Appropriations Bill, the sub-committee agreed to favorably report the legislation proposed by the Department with the understanding that prior to the submission of the 1934 Budget arrangements would be made to adjust the differences and to submit any necessary changes.

In accordance with this agreement the Department requested the Bureau of Efficiency to designate an investigator for the purpose of making a careful survey of the situation existing in the Department and several conferences were held with representatives of the General Accounting Office and with the Bureau of the Budget. As the result of these endeavors legislation acceptable to all of these organizations has been drafted and included in the Agricultural Appropriation Bill for the fiscal year 1934. This authorization if approved, will provide for the operation of a central supply unit in the Department for the handling of all supplies, equipment, blank forms and miscellaneous materials required for use in Washington, or for delivery to Washington for shipment to the field. This organization will be entirely self-supporting in that the cost of materials furnished for the using organizations will include the base cost of the material plus the incidental handling charges. It is the opinion of the various officials responsible for the preparation of this proposal that if enacted the legislation will permit the Department to develop an economical and efficient organization for the performance of the work and as a result economies will be provided in the cost of handling as represented by the personnel now engaged in this work, the amount of Government funds invested in the maintenance of stock, and in the area of office and storage space required.

requested the Department to indicate the authority under which the Central Supply Section was operating and after an exchange of correspondence Mr. Medart rendered a decision that the authorization quoted in the preceding paragraph was sufficient, and that unless proper legislative authority was obtained the centralized supply activity should not be continued beyond June 30, 1926. In accordance with this decision the Department submitted to the Bureau of the Budget in connection with the 1928 estimates, provision for the amendment of the language of both appropriations (Salaries, Office of the Secretary, and Miscellaneous Expenses) so as to meet the suggestion of the Comptroller General and also to permit the

Office appeared before the sub-committee of the House Appropriations
Some of these objections were not germane while others represented fundamental differences in policy. As a reconciliation of these points
available before the presentation of the report on the Agricultural Appropriations bill, the sub-committee agreed to favorably report the legislation proposed by the Department with the understanding that prior to the submission of the 1928 Budget arrangements would be made to adjust the difference and to submit any necessary changes.

In accordance with this agreement the Department requested the Bureau of Efficiency to designate an investigator for the purpose of making a careful survey of the situation existing in the Department
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Because the Department is still largely housed in widely separated buildings, it is impossible to immediately effect a complete centralization of the Department's supply activities, and the proposed Secretary's memorandum recognizes this situation by dividing the movement into two distinct phases. The first covers the consolidation of all bulk stock and the assumption of responsibility by the Central Supply Section for the storing, issue, shipment and replacement of all such materials. The second phase, which is to be accomplished coincident with the occupancy by the bureaus and offices of space in the South Building or in buildings in the immediate vicinity, provides for the elimination of all bureau and office stock except the small cupboard or shelf stocks ordinarily maintained in the individual offices and laboratories. This final phase will provide for the gradual abandonment of the subsidiary supply rooms maintained in the various bureaus and offices and the Central Supply Section will assume responsibility for the procurement, storage and retail distribution of all the materials involved in this consolidation.

It is important to note that the proposed order does not require the abandonment of the direct purchasing activities maintained by the various bureaus. The elimination of such units has already been accomplished in the branches comprising the Office of the Secretary, the Bureau of Home Economics, and the Bureau of Biological Survey, and is now in process in the Bureau of Agricultural Economics. There are many perplexing problems involved in the complete centralization of purchasing and the plans already developed do not provide the necessarily complete assurance that the operations of the Department along suhh lines can be conducted without any interference to the performance of the important technical and scientific work. However, the proposed change, if ordered, will materially reduce the size and importance of all of the bureau purchasing agencies and by the elimination of the responsibility for the procurement of all articles in common use, will so clearly and definitely outline the remaining functions as to make it possible to study the problems involved in the direct procurement of the other materials. As the result of such studies, the officials of the Department should be able to develop satisfactory procedures either on the basis of a modification of the existing methods or for the complete centralization of all purchasing functions.

While the proposal for the centralization of supply activities has the enthusiastic endorsement of the representatives of the Bureau of the Budget, Bureau of Efficiency, General Accounting Office and of this office, and similar measures are already accomplished or in progress in the Treasury Department, the Department of Commerce and the Department of the Interior, it is only fair to say that favorable

responses have not been received from all of the bureaus of the Department. While it is recognized by bureau officials generally that the consolidation of the articles of common stock can assuredly be effected without interference or detriment to the work, yet in a number of instances the feeling exists that any attempt to carry the movement beyond this class so as to include supplies or materials of a technical or scientific nature will result in embarrassment. In an effort to develop the character and extent of this disagreement, copies of the report and recommendations made by the Chief of the Bureau of Efficiency were forwarded to the various bureaus with the request for criticism and comment. Pertinent excerpts from the replies received, together with comments made by the representatives of the Bureau of Efficiency and officials of this office, are shown in the attached file. It is not believed that the points raised constitute any serious threat to the efficient and economical operation of the proposed consolidated supply unit. It is recognized that in surrendering the small and conveniently located subsidiary supply rooms some sacrifices must be made, but it is believed by the officials who have carefully studied the problems involved that the advantages accruing from such a change will so greatly outweigh the temporary minor disturbances and inconveniences as to overwhelmingly justify the action. The Central Supply Section will serve the department as a department store and will have available moderate stocks of a wide variety of articles; the ultimate consumers should have a wider choice of materials than heretofore enjoyed, and under a character of service never previously available within the department. Of course the operation of this organization must be efficient; the basic plan for the reimbursement of the handling charges as a part of the cost of the supplies will provide a sensitive barometer to gauge the quality of the service rendered. After a reasonable period of experimental operation the rise or fall of the handling charge factor should accurately indicate the need for adjustment of personnel and detailed procedure without the necessity of tedious and expensive investigation. All of these problems have had serious and careful consideration for a period of years and the approval of the proposed action is earnestly recommended.

Very truly yours,

W W Stockberger

Director.

EXCERPTS FROM COMMENTS MADE ON CENTRAL SUPPLY SECTION

Grain Futures Administration:

Letter of September 7, 1932.

"This Administration has been operating under the Central Supply Section since the latter part of the fiscal year 1926, and has found the arrangement most advantageous both from the standpoint of convenience and cost. It will be our pleasure to continue this arrangement and to cooperate with the supply section to the fullest extent possible."

Office of Experiment Stations, Letter of September 6, 1932.

"Referring to your memorandum of August 31, regarding the supply operations of the Department, will state that the procedure outlined does not seem to make any material change from that which has been followed by this office for some time."

Office of Information, Letter of September 12, 1932.

"The method of handling supplies for the Department, as outlined in your memorandum of August 31, is entirely satisfactory to me. I think this arrangement is already in effect so far as the Office of Information is concerned."

Library, Letter of September 20, 1932.

"The plan seems to me one that should prove satisfactory and I should think it would also be much more economical. As far as the Library is concerned, however, we are unable to make any suggestions based on experience as we keep only a small stock of supplies which are stored in cupboards."

Bureau of Animal Industry, Letter of September 23, 1932.

"In addition to the supplies that are for office use alone and common to the Department at large, there is in the Bureau Store Room a large stock of numerous items that are peculiar to the operation of this Bureau in several of its field activities. These items furnish the bulk of the stock stored, and comprise metal seals and tags, printed paper tags and various other items in addition to a stock of printed forms. All of this class of stock is used in the field, practically all in connection with regulatory functions imposed by law on this Bureau. It would seem that all of these special supplies, including all the forms involved, should be kept separate in the consolidated Store Room, and that the responsibility for the maintenance of the stock of all these items should remain in the Bureau as it is responsible for the proper carrying out of the several regulatory functions involved. It is assumed that these matters will be considered carefully before the consolidation is effected.

Letter of September 7, 1932.

"This Administration has been operating under the Central Supply Section since the latter part of the fiscal year 1932, and has found the arrangement most advantageous both from the standpoint of convenience and cost. It will be our pleasure to continue this arrangement and to cooperate with the supply section to the fullest extent possible."

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Library, Letter of September 20, 1932.

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"In addition to the supplies that are for office use alone and common to the Department at large, there is in the Bureau Store room a large stock of numerous items that are peculiar to the operation of this Bureau in several of its field activities. These items furnish the bulk of the stock stored, and comprise metal seals and tags, printed paper tags and various other items in addition to a stock of printed forms. All of this class of stock is used in the by law on this Bureau. It would seem that all of these special maintenance of the stock of all these items should remain in the

B.A.I.(Cont'd.)

"Other questions arise that are of moment to the Bureau, and include the personnel involved, there being an indication in the memorandum referred to that the bureau may be called upon to detail employees to take care of its special stock. Closely related to the detailing of employees, as above, is the matter of labor force, the cleaning of buildings, and the receipt of incoming freight and express as well as forwarding of outgoing shipments. It is assumed that for allfreight or express shipments made under the proposed consolidation Bureau of Animal Industry bills of lading will be used. The Bureau is interested also in the proposed method of filling orders. These and other questions that may arise will doubtless be worked out by consultation between the employees now looking after the supplies work for the Bureau and those who will be assigned to the consolidation."

Comments by Mr. Thomas, Bureau of Efficiency.

"Special supplies, including forms, will be kept separate in a consolidated store room.

"The responsibility for the maintenance of stocks of these items will remain in the bureau.

"Employees detailed from the bureau to handle the extra work imposed on the central organization by the transfer of the bureaus' stocks will of course include labor and other employees for handling these stocks. However, it is to be noted that the consolidation of the stock of the Bureau of Agricultural Economics with that of the central organization requires only three extra people in the central organization, whereas the Bureau of Agricultural Economics for the same work now has seven employees."

Bureau of Agricultural Engineering, Letter of September 12, 1932.

"In view of our location and the fact that we are already making extensive use of the Central Supply Section's services, I would not like to change our present plan of operation which is working satisfactorily, until we move into the Extensible Building. At that time we shall be glad to make such adjustments in our operations as the experience of the other Bureaus who are located in the Extensible Building have indicated to be practicable and desirable. With our present personnel I do not see how we could keep up with all our work in the Bureau if any employees were detailed to Central Stores.

"May I not express the hope that in all plans for Central Stores handling of supplies and equipment, that there be left to the Bureaus the privilege of making purchases in accordance with

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regulations in case of emergency. Occasionally we have to get supplies, equipment, or repairs quickly if our work is to be kept moving and we have found that where we have direct control of such operations, we can, if necessary, expedite them."

Comments by Mr. Thomas, Bureau of Efficiency.

"As Mr. McCrory states, the stocks maintained by this small bureau are very inconsiderable. Shipments to field offices are already being made from the Central Supply Section stocks.

"With reference to Mr. McCrory's hope expressed in the last paragraph of his memorandum that there be left to the bureuas the privilege of making purchases in cases of emergency, in accordance with regulations, there is nothing in the proposed Secretary's order which will interfere with this in any way. Field units now have this privilege and certainly if an emergency arose requiring immediate delivery to Mr. McCrory's Washington office which could not be met promptly by the central organization, he would be given the privilege of immediate purchase, if necessary without competition as permitted under Section 3709 of the Revised Statutes."

Bureau of Public Roads, Letter of September 24, 1932.

"This Bureau will be glad to cooperate with the proposed central supply section but it is not clear that any material advantage will accrue or savings result through the Bureau of Public Roads entering into the general arrangement. We do not carry any large stocks of standard supplies for furnishing to our field offices. Such offices submit quarterly requisitions and the standard supplies are secured by drawing on the central stores. Special purchases of road equipment and engineering supplies are frequently made for field delivery and it is presumed that this procedure would be continued under any centralized plan.

"We do carry stocks of both standard and special bureau blank forms. These stocks could be turned over to the central supply section but we would wish to continue to be responsible for the procurement of the special bureau forms.

"When the central supply section is prepared to take over this work for the Bureau of Public Roads we will be glad to confer and work out the detailed procedure with those in charge."

Bureau of Agricultural Economics, Letter of September 16, 1932.

"The procedure outlined in your memorandum sounds feasible and it would seem that the consolidation of this particular phase of the work of the Department should be effective and should be

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Bureau of Agri. Economics (Cont'd.)

more economical, particularly in view of the fact that the supplies to be shipped to the field will be shipped direct from the section and will not involve hauling back and forth. The consolidation, however, of operating units in the past has not always worked out as well as we had hoped for at the time the consolidation was effected. I have particularly in mind the consolidation of the addressing and duplicating section which took away from the Bureau a very effective operating unit and after some years it was necessary for us to re-establish our own section in order to handle our work, with the result that we lost both in personnel and equipment in the move.

"There are two points which I hope will be kept in mind in this consolidation; namely, expeditious service and economy in operation. If we can have more expeditious service, or even as expeditious service as we now have, at a decreased cost of operation, then I feel the move has been well made. I am sure this will be your point of view also."

Comments by Mr. Thomas, Bureau of Efficiency.

"Mr. Olsen hopes that expeditious service and economy in operation will always be borne in mind under the proposed consolidation. He agrees that the procedure outlined seems feasible and likely to result in economy.

"This bureau has already agreed to the transfer of its large stocks to the central organization and the transfer is to be made about the middle of October."

Bureau of Dairy Industry, Letter of September 21, 1932.

"At the outset permit me to say that this Bureau does not maintain a stock room for office supplies. The stock room was abolished over a year ago and since that time all office supplies have been obtained as needed on requisition from the Central Stores. Furthermore, we recently attempted to arrange for the distribution of all of our forms through the Central Stores, but were asked to defer the matter until the facilities of the new Federal Warehouse became available.

"There is, therefore, for consideration now only the matter of laboratory supplies and apparatus. We have a small stock room readily accessible to the personnel of our laboratories, through which an investigator may promptly obtain supplies and equipment needed in his work. It results in economy because there are kept in the laboratories only such supplies as are actually needed. Under the proposed scheme it is not unreasonable to assume that in a few years the equivalent of our present stock will be hoarded in

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the various laboratories and duplicate purchases will be made due to a lack of knowledge of what is on hand.

"We believe that consolidated procurement is an excellent idea and will result in savings. But at the same time we believe it advisable to permit the maintenance of a stock roomin close proximity to the laboratories where a limited supply of essential chemicals and apparatus may be carried."

Comments by Mr. Thomas, Bureau of Efficiency.

"Mr. Reed states that inasmuch as the central stores of the department are already handling most of the work of this bureau connected with supplies, "there is, therefore, for consideration now only the matter of laboratory supplies and apparatus."

The stock room of the dairy research laboratory is not very extensive, but it maintains nevertheless far more than a working stock. The lady in charge states that she undertakes to keep on hand at least a six months' supply of each item. This is plainly maintenance of bulk stocks. While the matter is of not great importance as far as this small bureau is concerned, it seems unjustifiable that it should do otherwise than transfer this bulkstock to the central organization for maintenance in the Federal Warehouse. Also since the Bureau of Dairy Industry is very accessible to the broken stocks for local distribution, which are to be maintained in the extensible building, there seems no reason why the scientists of this bureau should not secure apparatus and chemicals used in their current work from the central organization. The central organization can also take charge of used apparatus which may if necessary be set aside specifically awaiting the call of this bureau."

Forest Service, Letter of September 16, 1932.

"Inasmuch as the Forest Service will not be located in the extensible building for several years and that the stock of supplies maintained in our supply room are not intended for field distribution, it is felt that the proposed order has very little application to the Forest Service.

"In this connection it might be stated that the Forest Service is obtaining from the Central Supply Section all items of supplies which the Section is in a position to furnish, except those items which are used in large quantities and which can be delivered to the Forest Service from the Government Printing Office or the dealer as easily as delivery can be made to the Central Supply Section. With the more complete centralization of supplies in the Central Supply Section the list of items obtainable from the Section will undoubtedly be increased and the Forest Service will, as a matter of course, make its purchases from the Section to a greater extent than is the case now.

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[illegible] Service, Letter of September 18, 1928.

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"It is noted that the last paragraph states that bureaus will be charged only with the cost of supplies furnished. In other words, there will be no charge for handling. Does this mean that the department will have to depend upon appropriations made by Congress for the personnel of the Central Supply Section? The Central Supply Section is, of course, a service agency and should at all times be prepared to give prompt and efficient service. Both the Bureau of the Budget and Congress have been reluctant to increase appropriations for personnel and other purposes in Washington. Under such conditions is there not a possibilitythat within a few years we will reach the stage where the Central Supply Section will be unable to give prompt and efficient service?

"The Forest Service would much prefer to see the Supply organization placed on a more flexible basis. This could be accomplished by eliminating the appropriation for salaries and by charging the bureaus with the total cost of the supplies furnished. If this were done a more flexible organization would be provided, since it would be possible to reduce or enlarge the force as the demands of the service required. An objection might be raised to this plan by the Budget Bureau and Congress on the ground that there would be no control over the size of the personnel engaged on supply work. Some method of control might be established, however, which would permit of the establishment of a flexible organization without the danger of building up a force which would not be commensurate with the amount of business done."

Bureau of Entomology, Letter of September 12, 1932.

"Receipt is acknowledged of your memorandum of August 31 relative to the proposed consolidation of stores for the Department. As you know this bureau has for the past 18 months been availing itself of the services of the Central Supply Section in the purchase and storage of stationery and general office supplies for use both in Washington and in the field. This arrangement has in general worked out very satisfactorily and we shall be glad to continue it. We should also be glad to extend the arrangement to apply to laboratory apparatus and supplies, drugs and chemicals, and photographic supplies, if we can be assured of having our needs met promptly and from fresh stock. We have secured a large percentage of our drugs and chemicals through the Bureau of Chemistry and Soils and unless the Central Supply Section can undertake to furnish as satisfactory service, we should prefer to continue the present arrangement for that class of supplies.

"We can see no point in placing Bureau forms in a Central Supply Section. It would appear that the stocking of forms used by the various bureaus would be a somewhat complicated job for a central office and would be of very little practical value. As a matter of fact the preparing of requisitions by the bureaus for forms of this type would (since forms are requisitioned separately from other supplies)

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"Receipt is acknowledged of your memorandum of August 21 relative to the proposed consolidation of stores for the Department.

result in cutting into the very limited supply of paper available for the current fiscal year.

"With the exception of Bureau forms and the limited shelf supply of various articles this Bureau maintains no stores; all of our supplies having been taken over by the Central Supply Section in the spring of 1931. The only bulk supplies not taken over at that time consisted of envelopes and other miscellaneous supplies which the Central Supply Section considered so old that they were unwilling to allow us any credit for them. Consequently these supplies were kept here and have been parceled out in small lots so that eventually they will be entirely used up."

Comments of Mr. Thomas, Bureau of Efficiency

"The Bureau of Entomology states that they can see no point in placing bureau forms in a Central Supply Section and that it would appear that thestocking of forms used by the bureaus would be a somewhat complicated job for a central office. There is no thought of divorcing the bureau from its responsibility in maintaining proper stocks of bureau forms in the central organization. Obviously, the central organization could not know the varying needs of the bureau as to its own forms, and might continue to order forms that had suddenly become obsolete. On the other hand, the distribution of forms to field organizations by the central organization should be one of the easiest of its functions. When they are shipped in bulk, say to the extent of a mail sack full, the central organization should take advantage of the permission of the Post Office Department to send these under frank, a privilege which the whole department seems to be now neglecting."

"The bureau states that it would prefer to pay a surcharge on its supplies to detailing an employee. The device of detailing employees from bureaus to the central organization is obviously a temporary one and should only be in effect during the first year of the operation under the proposed order. This matter has been rather fully discussed. When the language of the Agricultural Appropriation Act is corrected, possibly a surcharge will be the proper course, or the Department may take advantage of the transfer provisions under the Economy Act (Section 601) and secure a transfer from each bureau to the central organization of sufficient funds to cover the work thrown upon the central organization."

Letter from Bureau of Chemistry & Soils, Letter September 15, 1932.

"This will acknowledge receipt of your circular memorandum of August 31 with regard to the new arrangement for the handling of supplies. This Bureau has no particular comment to make upon this subject and we will be prepared to carry out instructions as outlined.

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"The bureau states that it would prefer to pay a surcharge on its supplies to defraying an employee. The device of detailing employees from bureaus to the central organization is obviously a temporary one and should only be in effect during the first year of the operation under the proposed order. This matter has been rather fully discussed. When the language of the Agricultural Appropriation Act is corrected, possibly a surcharge will be the proper course, or the Department may take advantage of the transfer provisions under the Economy Act (Section 601) and secure a transfer from each bureau to the central organization of sufficient funds to

[illegible]

[illegible] of August 31 with regard to the new arrangement for the handling of supplies. This Bureau has no particular comment to make upon this subject and we will be prepared to carry out instructions as

"It is assumed, of course, that pending removal to the new extensible building that the supplies now at our Fixed Nitrogen Laboratory will be left intact. In any event, I do not presume it is intended to make any transfer of supply stocks until the new extensible building is ready for occupancy."

Comments by Mr. Thomas, Bureau of Efficiency

"Mr. Rice says: "This Bureau has no particular comment to make upon this subject and we will be prepared to carry out instructions as outlined."

"With reference to the class of supplies now maintained at the Fixed Nitrogen Laboratory, I see no reason why any but working stocks should be there maintained. The stores on the American University grounds are now very extensive. The stocks now on hand must have cost originally well over $50,000.They are in a frame building exposed to fire and theft. Furthermore, the building is left open during the day time and any scientist or other employee can enter at will and help himself. He is supposed to leave behind a memorandum showing what he has taken. No running inventory is kept of the stocks at the Fixed Nitrogen Laboratory. Most of the stock is obsolete; for example, a large part of the glassware is soft glass rather than Pyrex. I see no reason why practically all of the bulk stocks should not be transferred to the central organization, including the obsolete items which should be disposed of as soon as possible by the central organization.

"The present arrangement of supplying the needs of the fertilizer laboratories at the Arlington Farm from the Fixed Nitrogen Laboratory is obviously uneconomical. Why should stocks be sent several miles out to American University and then shipped back and across to Arlington Farm when the current needs of both branches of the service can be met from the bulk stocks in the Federal Warehouse?"

Comments of Bureau of Plant Industry, Letter of September 14, 1932.

"In general, I am in hearty accord with the principle of centralization and believe it should be carried forward as completely as may be shown to be efficient. I believe it should be made much clearer in a memorandum sent out that the centralization will be made gradually but as rapidly as it can be accomplished, consolidating first all supplies that are now stocked by both the central stores in any bureau or by more than one bureau. I believe also that the memorandum should indicate clearly that all dealings with bureaus will be through the customary bureau channels and not direct between divisions in a bureau and a central supply section. Confusion will probably result unless this is clarified in a memorandum when sent out.

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unless this is clarified in a memorandum when sent out.

"I have stated my views so frequently and in such detail that it seems unnecessary to amplify the foregoing. I wish only to reiterate that you will have our complete cooperation in bringing about centralization of supplies."

Extension Service, Letter of September 7, 1932.

"Inasmuch as the Extension Service has been utilizing the facilities of the Central Supply Section for some years, it is thought that the proposed order with reference to transfer of material to that section will not affect this service to any considerable degree. It has not been our practice to maintain supplies in bulk, orders being placed with the Central Supply Section as conditions may require. It is noted, however, that the third paragraph of the draft of the proposed order listing the various types of material included in the order specifies under IX "Forms, standard, departmental, and bureau." We are in agreement that supplies of governmental and departmental standard forms should be maintained in the Central Supply Section but are rather dubious about the maintenance of all supplies of forms relating specifically to a bureau, unless such forms are distributed in large quantities. In the Extension Service we have a few forms adapted specifically to extension needs which are duplicated from time to time in sufficient quantity to meet current needs. It seems to us it would be a mistake to duplicate these forms, turn them over to the Central Supply Section, and draw them as required. The amount of unnecessary labor and movement back and forth would not warrant, in our judgment, such a procedure."

Bureau of Plant Quarantine, Letter of September 7, 1932

"I take it that this Bureau is excluded at present from the scope of the consolidation because it is located at a considerable distance from the Extensible Building or the immediate vicinity of that building. This Bureau does not maintain any bulk stores that would require any space in the new Federal Warehouse; and it only maintains small shelf-stocks of miscellaneous supplies for current use of its 106 Washington employees. The present practice in shipping supplies from the Central Supply Section of the Department for the use of the 669 regular and 1,671 seasonal field employees of this Bureau, is as follows: Periodically, the field units submit requisitions to our Washington office, which are approved and transmitted to the Central Supply Section; the Central Supply Section sends the supplies to us at 1729 New York Ave., N.W., where our force checks, packs, and ships the same by freight, express or parcel post, with accompanying notices to the field units of substitutions, omissions, or part deliveries on their requisitions. Under any circumstances, this shipping of supplies could be brought within the scope of consolidation; and in view of the fact that we are remotely located from the main group of Department buildings, it is more economical, efficient and generally satisfactory to continue our present practice

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of handling the field shipments from our building at 1729 New York Ave., N.W. We have found that accuracy and care are required in checking of deliveries here against field requisitions, and that reports must be made coincident with shipments and also at other times as to delays in procurements, substitutions, shortages, partial deliveries, or completing deliveries to be made at a later date."

Comments by Mr. Thomas, Bureau of Efficiency

"Mr. Hoyt, the acting chief of bureau, seems to think that his bureau is excluded from the intended scope of the consolidation because it is located at a considerable distance from the extensible building. He states that his bureau only maintains small shelf stocks of miscellaneous supplies for current use of its 106 Washington employees. Inspection of the stocks maintained by this bureau and a careful review of the inventory recently supplied by that bureau indicates that Mr. Hoyt is mistaken in thinking that only small shelf stocks of miscellaneous supplies for current use are maintained. As to a large part of these stocks, quantities are sufficient to cover perhaps a half year's needs of the entire bureau, both Washington and field. I feel certain that there are bulk stocks which should be transferred from this bureau to the centralorganization. This bureau, incidentally, maintains no running inventory or card record of its stocks on hand, and permits very free access to its shelves.

"Certainly the present practice of transferring supplies from the Central Supply Section to 1729 New York Avenue for field shipment, the checking in of these supplies at the latter point, and the packing and shipping from that point, with necessary drayage to freight or express stations involves unnecessary expense as against shipping from the Department of Agriculture space in the Federal warehouse on a railroad siding. At least 50 per cent of the time, as reported by this bureau, of three employees is devoted to maintenance of stores and packing them for shipment. All of this work should be transferred to the central organization where it could be handled without doubt with considerable less help and time than is now involved."

Weather Bureau, Letter of September 9, 1932.

"Frankly we have had no evidence presented to us on which to reach a conclusion that the proposed change in method of handling the Weather Bureau supplies activities would result in anything other than loss of efficiency and increase in the cost of distribution of our supplies."

"It is conceded that shelf stocks of general office supplies that are used by our field stations and are common to other field activities of the Department can be handled by a centralized stores organization and issued upon requisition to the Weather Bureau stations, but as stores of this character are a small part of the items re-

of handling the field shipments from our building at 1729 New York Ave., N.W. We have found that accuracy and care are required in checking of delivering these shipments, and the reports must be made coincident with shipments and also at other times as to record in particular [illegible], clearance, partial deliveries, or completing deliveries to be made at a later date."

## [illegible] of Efficiency

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## Weather Bureau, letter of September 5, 1930.

"Frankly we have had no evidence presented to us on which to [illegible] and [illegible] the Weather Bureau supplies activities would result in anything other than loss of efficiency and increase in the cost of distribution of our supplies."

"It is conceded that shelf stocks of general office supplies [illegible] but as stores of this character are a small part of the items re-

quested by our stations and as a separate shipment of these items by the Department would increase transportation charges considerably, we fail to see either efficiency of operation or economy in the transfer of such stores. Certainly no one can deny that the consolidation of the office supplies, together with printing materials and instrumental equipment, is the most efficient and economical way that it is possible to transfer these supplies to the same station. Another point that should be given careful consideration is the fact that the Weather Bureau stations now make up a consolidated requisition on which is listed office supplies, some instrumental equipment, and other items that in many cases have to be purchased direct and that in this list of items is contained many articles that are not standard in size, such as red and blue carbon paper running in special sizes up to 19" x 24", which is used for the preparation of maps, etc. This item is mentioned because it is a general office article but limited in use to this Bureau due to color and size. There are many other items of similar nature.

"If all of the issuing of office supplies work were arbitrarily transferred to the Department it would still remain for the Weather Bureau to maintain a purchasing office to obtain service and supplies for use both in the field and for divisions in the Central Office for such items as are peculiar to our needs and not carried in stock by the Department. This division would still be required to keep the property accountability records.

"The Weather Bureau has no bulk stocks for storage in the Federal Warehouse. Only in a few instances of the larger stations and special cases would shipments be made of stores in unbroken package lots. There would be nothing gained in economy or efficiency for the Bureau to single out these few individual cases and call upon other agencies to transfer them. In order to accomplish this action it would be necessary to eliminate such items from the field requisitions, cause another agency to issue necessary shipping papers and carriers to submit additional vouchers for audit; and all of this action would be taken while a regular bureau shipment of other supplies is going forward to the same point. A complete consolidation of a shipment on one bill of lading is the most logical, efficient, and economical for all interests concerned.

"The Weather Bureau has planned all along to utilize space in the Federal Warehouse and has requested the necessary space for bulky items such as cable, paper, etc. However, supplies and equipment of this nature could not be shipped direct from the warehouse to the field. The paper has to be delivered to the Weather Bureau for necessary cutting and printing. It would not be economical or efficient to haul the paper a second time to the Department or the Federal Warehouse after cutting and printing. As before indicated, the maps, bulletins and cards are packed and shipped immediately after

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printing and cutting operations in our printing plant. The various bureau forms are cut and printed and issued on requisitions as soon as practicable.

"In view of the foregoing, and for other reasons not set forth in this memorandum, I strongly urge that no action be taken to change our present method of purchasing and issuing stores until such time as it can be clearly shown, and demonstrated beyond a doubt, that the transfer of any part of these activities to the main Department can be handled in a more efficient and economical manner than by the bureau itself. In making this recommendation I feel that no attempt should be made to disturb our supply units or present method of procedure so long as we can continue to operate as efficiently and economically as at present."

Comments by Mr. Thomas, Bureau of Efficiency:

"All that the proposed order intends so far as the Weather Bureau is concerned is to take over its bulk storage and the shipment of supplies from Washington to the field. The Weather Bureau has shown by its inventory, as I found on my survey, rather extensive amounts of supplies and forms. In many cases the quantities on hand exceed a year's requirements. This is especially true in the case of forms. Supplies are regularly sent out twice a year in volume. The forms are kept adjacent to the printing plant on wooden shelving which reaches to a wooden ceiling. These, we were told, have to be constantly shifted in order to provide room for more forms. Storage conditions here are very bad and very hazardous. A fire inthe area devoted to forms storage might be very extensive and wipe out the printing plant, the entire Supply Division, and the Equipment Division.

"Under the plan proposed, the bulk stores of the Weather Bureau including its bulk stores of forms would be transferred to the warehouse and the distribution to field services would be made from there. Naturally the Weather Bureau would send small runs of printed matter as it does now direct to the field services. The larger distribution of supplies including forms of the Weather Bureau would be handled by the central organization. The storing and distribution of forms should be one of the easiest matters which the central organization would handle. Likewise their transportation across town to the Federal warehouse would not be difficult nor involve any extra expense, as the transportation facilities which deliver supplies to the Weather Bureau would take back the accumulation of forms.

"If the Weather Bureau consolidates, shipments of forms in bulk with shipments of supplies, it is apparently not taking advantage of the permission granted by the Post Office Department to send forms free of charge in mail sacks even though their volume and weight exceed the four-pound limit of parcel post shipments.

transfer of any part of these activities to the main Department can be handled in a more efficient and economical manner than by the bureau itself. In making this recommendation I feel that no attempt should be made to disturb our supply units or present method of procedure so at present."

"I do not think that there is anything any more complicated in taking over the bulk stores and shipments of the Weather Bureau than is involved in taking over similar functions from any other sizable bureau of the department. Under the plan proposed, the Supply Division of the Weather Bureau willretain its purchasing functions. It will maintain a small store of supplies for current use. It can continue to handle the small amount of work which it now does for the Instrument Division and the Printing Division."

Food and Drug Administration, Letter of September 13, 1932.

"The principle of centralization in supply work is sound when applied to items such as stationery and the like which can be standardized and are in common use by a considerable number of separate units. The supplies listed as classes 3 to 9 inclusive in the proposed order can be centralized with possible economies and without detriment to the work of the Food and Drug Administration.

"The principle of centralization is not sound if applied to highly specialized supplies such as laboratory apparatus and chemicals for analyticalwork peculiar as to kind, grade or quality to one or to only a limited number of separate organization units.

"Laboratory apparatus and chemicals are such an essential part of the working tools of a laboratory that no reasonable expense should be spared to make them instantly accessible to the laboratory workers. The tools and the workers who use them are so closely related that they should be under a single management for efficient operation. This principle is recognized in the proposed order in its application to the stores of the mechanical shops. It applies with even greater force to chemical laboratories.

"Whatever economies may be effected in the cost of buying, storing and distributing laboratory apparatus and chemicals through centralization would be more than offset by loss of chemists time through lack of immediate and direct contact with the storeroom. Eighty per cent of the cost of operating laboratories is in salaries. Not more than three per cent is for storeroom supplies. To save at the spigot and permit leaks at the bung hole is not economy.

"It would be wholly impracticable for a Central Storeroom for the Department to give the same degree of service to the individual working laboratory men that is furnished by a storeroom in close proximity to the laboratories and operating under the same management as the laboratories. In the Food and Drug Administration the storeroom collects from each laboratory twice daily the storeroom requisitions. The material is taken from the storeroom shelves and delivered to the laboratories twice daily. All this work is done by one storeroom employee which is possible by the close proximity of our stock to the laboratories and the intimate knowledge of our storeroom staff with

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than is involved in the [illegible] of the Bureau, the
[illegible] the Secretary. There are some economies, like
[illegible] which we can effect, but they are not very
[illegible]. In [illegible] we will [illegible] it
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[illegible]

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[illegible]

[illegible]

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[illegible]

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the needs of each laboratory, and to a considerable extent with the needs of each laboratory workers. This system takes care of the needs of each laboratory for the general run of stock supplies. However, even twice a day delivery service will not take care of all the needs. Often it is necessary for a laboratory worker to have a piece of apparatus or a chemical, the need for which could not be anticipated. This work must wait until it is obtained. Under our present system he telephones to the storeroom and it is sent to him at once with a requisition and receipt for him to sign, causing the minimum of delay in his work. In other instances the chemist may have to construct a special apparatus and make it out of whatever is available. He goes personally to the storeroom, examines what is on hand and personally selects with the minimum loss of time the item or items that will most nearly meet his immediate needs. If the storeroom is a block or more away the loss of time on the part of the chemist would necessarily be greater. Furthermore it is doubtful whether the staff of a central storeroom could know personally the individual laboratory workers in the various bureaus well enough to allow them to enter the stock rooms, and personally select and requisition on the spot the special items they needed at once. There are more than 100 laboratory workers in the Food and Drug Administration in Washington alone.

"At the present time the laboratories of the Food and Drug Administration carry a minimum of chemical glassware, chemicals and other storeroom laboratory supplies on the shelves of the laboratory rooms and none of them maintain individual storerooms. Since the laboratory workers can obtain promptly from the storeroom any stock laboratory supplies needed, there is no incentive to stock up with more than is required for immediate needs. However, if it develops that the proposed Central Storeroom cannot furnish the same prompt delivery service that now prevails and quick accessibility to stocks is lacking, it is certain the laboratory workers would endeavor to protect their work from delays due to lack of supplies by requisitioning and storing within their laboratory rooms much larger stocks than they now require. For instance, a chemist needing silver nitrate costing $4.65 per pound or mercuric iodide costing $5.50 per pound would likely order an extra bottle or two to avoid possible future delay. The same would apply to expensive glassware such as burettes, desiccators, Kipps generators and the like, as well as to less expensive materials. This is a very difficult matter to control since in many lines of laboratory work no one but the laboratory man actually on the job really knows what quantities of various items are needed for immediate use. The only effective method of control is to have such quickly available storeroom service that the laboratory man feels no need to hoard against possible delays.

"All chemicals received for storeroom stock by the Food and Drug Administration are examined by a chemist who makes such tests and analyses as may be necessary to insure that the chemicals are

the needs of each laboratory worker. This system takes care of the needs of each laboratory for the general run of stock care of all the needs. Often it is necessary for a laboratory worker to have a piece of apparatus or a chemical, the need for which may not be anticipated. This work must wait until it is him to sign, causing the minimum of delay in his work. In other instances the chemist may have to construct a special apparatus and make it out of whatever is available. He goes personally to the storeroom, examines what is on hand and personally selects with the minimum loss of time the item or items that will most nearly meet his immediate needs. If the storeroom is a block or more away the loss of time on the part of the chemist would necessarily be greater. Furthermore it is doubtful whether the staff of a central storeroom could know personally the individual laboratory workers in the various bureaus well enough to allow them to enter the stock rooms, and personally select and requisition on the spot the special items they needed at once. There are more than Washington alone.

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of the required strength and purity for work in accordance with the methods prescribed by the Association of Official Agricultural Chemists, the U. S. Pharmacopoeia and the National Formulary or by other official methods. The chemists who analyze samples in the enforcement of regulatory laws must know and be able to testify under cross examination in contested court cases that the official methods have been followed and chemical reagents of the prescribed strength and purity used. For this reason it would be necessary for a Central Supply Service to be in a position to issue to the Food and Drug Administration only tested chemicals of guaranteed strength or purity, or it would be necessary for the chemists of the Food and Drug Administration to test each individual lot received from the Central Storeroom. This latter method would be too expensive, costing more than operating a separate storeroom. Is it practicable for a Central Storeroom serving several different bureau laboratories to see that one set of laboratories gets chemicals of a definite standard which may vary from that required by others? How can the chemists of the Food and Drug Administration be sure that the chemicals delivered from the Central Storeroom are of the required purity unless they test each individual lot? This presents a problem which is probably peculiar to the Food and Drug Administration. Having a storeroom and the laboratories under the same management greatly simplifies the problem.

"For these and other reasons I trust the proposed order may be so modified as to permit the Food and Drug Administration to operate a storeroom to supply chemicals and chemical apparatus to laboratory workers both in Washington and the field."

Comments by Mr. Thomas, Bureau of Efficiency

"The force engaged by the Food and Drug Administration in receiving, storing, packing and shipping supplies, is in my opinion very much larger than would be required to accomplish the same results under the consolidation proposed. The present F. D. & I. administrative force engaged on this work is as follows:

| | | |
|---|---|---|
| A. T. Coulter | Head Packer | $1560. |
| T. C. Segar | Under Custodian | 1560. |
| W. B. Pinckney | Laborer | 1320. |
| D. O. Elwood | Laborer | 1440. |
| Arthur Wallace | Laborer | 1260. |
| Samuel Harris | Senior Laborer | 1200. |
| J. E. Lyddane (part time) | Laborer | 600. |

"This list includes the full time of six people and half time of another. Besides these employees, Mrs. I. S. Strong, stock clerk at $1800 is engaged 80 per cent of her time on keeping records of stores, 10 per cent of her time preparing want slips for supplies needed, and 10 per cent of her time preparing monthly statement of cost of supplies used. Three other employees, R. E. O'Connor at $3200. D. V. Milbourne at $2040, and W. B. Murphy at $1740, are engaged in supervisory, purchasing and property record work. This is an expensive organization.

| | | |
|---|---|---|
| D. O. Wilson | Laborer | 1440. |
| Arthur Wallace | Laborer | 1260. |
| Samuel Harris | Senior Laborer | 1800. |
| J. E. Tyndane (part time) | Laborer | 600. |

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"A great majority of supplies and apparatus maintained by this bureau is identical with those maintained by the Bureau of Plant Industry which has agreed to the consolidation. Both bureaus require careful testing of their supplies before use. There is no reason why the tests of supplies delivered to and stored by the central organization should be any less careful yhan those now made by the Food, D. & I. Administration.

"The differences under the proposed order and the present practice of this bureau will be as follows:

1. An expert chemist and laboratorian will undoubtedly be placed in charge of the purchase, inspection, storage and shipping of these supplies. The F. D. and I. Administration will be called upon to make the laboratory tests of chemicals and reagents just as they are now.

2. According to the statement of the F. D. & I. Administration 75 per cent of its stock is shipped to field stations. This requires a considerable amount of hauling to and from the present supply division. Under the proposed plan all these shipments will be made from the Federal Warehouse, thus eliminating much cross-town hauling. The certification of purity of chemicals and reagents required by the courts on cases in which this bureau is involved will have at least as much weight as at present.

3. The stocks of laboratory apparatus and supplies for current use will be stored in the extensible building immediately across the road from the F. D. & I. Administration Building, where now they are stored next door in two old houses. It will be just as easy for laboratory workers to go across the road to inspect goods on the shelves and make their selection as it will to go out of the building and enter the two adjacent store houses. Necessarily full access to the shelves of this class of material must be given to laboratory workers, not only of this bureau but of the Bureau of Chemistry and Soils, the Bureau of Plant Industry, and the Bureau of Animal Industry, all of which bureaus are agreeable to the proposed consolidation.

4. It will be just as easy to make deliveries twice a day to meet the requirementsof the laboratory workers as it is at present. Certainly no peculiar knowledge in the past by Mr. Connor of the F. D. and I. Administration supply division as to experiments being conducted by all laboratory workers of the bureau, or as to their individual desires, aids him in filling these requisitions. Telephone requisitions can be just as easily met from across the road as from next door.

5. Stock which is common to several bureaus of the department will be consolidated and naturally these stocks will be maintained by the central organization subject, of course, to suggestions as to size of stock made by the administrative assistants of the bureaus. Stocks

4. It will be just as easy to make deliveries twice a day to meet the requirements of the laboratory workers as it is at present. Certainly no peculiar knowledge in the past by Mr. Connor of the B. D. and I. Administration supply division as to experiments being conducted by all laboratory workers of the bureau, or as to their individual desires, aids him in filling these requisitions. Telephone

which are peculiar to only one bureau, for example, some reagent of extreme purity, would be kept separately and properly marked to indicate that it is a bureau rather than a common stock. This situation will of course be met with reference to items in all classes of supplies.

"The bulk stocks kept in the Federal Warehouse and stocks for current use in the extensible building, in both cases being large enough to meet the requirements of the department rather than of one bureau, there should be no excuse for failure of prompt delivery tomeet the needs of any experiment. There should therefore be no justification forany chemist or laboratory unit building up small stocks to avoid delay. Any such situation should be subject to administrative action within the bureau. This situation is probably a hard matter to control, but it is now admittedly a fact in the F. D. and I. Administration that there exists throughout the laboratories too large stocks of supplies.

"I have already covered the suggestion that a bureau store room and bureau distribution tofield services is necessary in order to insure adequate certification that chemicals are of guaranteed strength or purity. The laboratories of this bureau will be called on just as at present to make their tests. Shipments from stock of the central organization will be of articles which have met these tests.

"I sincerely believe that while Dr. Dunbar has stated the viewpoint of the laboratorian as skilfully as can be done, his arguments are not well founded in support of a separate bureau stock room for supplies for current use in Washington and for shipment to field laboratories. I believe his service of supply should be considerably improved under the proposed consolidation with an expert chemist and laboratorian in charge of these technical supplies. I believe also that there will be saved at least two-thirds of the personnel now receiving, storing, packing, and shipping these supplies and keeping a running inventory thereof. Of course, it is natural that each bureau should consider its own packers as the only ones who can pack expensive laboratory glassware with sufficient care for field shipment. This is obviously not the case.

"Careful review of the inventory of supplies prepared for this survey by the F. D. and I. Administrationshows that there are constantly kept on hand an average of at least a year's stock. In many cases the items show enough for ten years, that is, the quantity on hand is ten times the quantity used during the last fiscal year. The proposed consolidation will enable the central organization to eliminate this unbalanced condition of stores, and to greatly reduce the total amount kept on hand to meet the department's needs."

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Comments by Office of Personnel and Business Administration on all replies received.

Replies received indicate a general acceptance of the soundness of the principle of centralized operation for common stock but in some instances the idea of handling laboratory supplies and equipment is definitely indicated as likely to prove unsatisfactory. The apparent flaw in the latter argument is indicated by the fact that although the bureau organizations comprise projects, sections, offices and divisions these are not permitted to maintain individual storerooms which would afford the maximum service along the lines indicated, but are required to obtain such materials from a common bureau stock, which in the case of the Food and Drug Administration not only serves the laboratories of that organization but also the majority of the laboratories maintained by the Bureau of Chemistry and Soils, and to a lessor extent other laboratories in the various bureaus. If it is possible for a corps of clerks and laborers to perform satisfactory service for the various branches comprising the respective bureau, and in the case of the Food and Drug Administration for organizations outside of the bureau group, it does not appear unreasonable to suggest the carrying of the idea forward an additional step and provide a similar personnel for the serviceing of the entire department. It cannot be denied that such a consolidation would afford a wider field of selection with a very much smaller investment than is now involved and that if the employees already trained to this work aretransferred to the Central Supply Section they should be able to afford the same quality of service. The duplications of stock and the extravagance and waste resulting from overstocking, depreciation and other similar factors can only be appreciated by those in close contact with such operations.For the commonly used chemicals and reagents stocks are multiplied ten fold by the existence of the separate organizations, and this is true to a lesser extent for other items of laboratory supplies and equipment. With the various branches of the department housed in forty odd buildings the arguments of convenience and accessibility were of course very forceful, but with the consolidation of all of these organizations into a single group of buildings with the major portion housed in a single structure the continuation of such subsidiary groups seems unnecessary and improper. The Department of Agriculture has grown to tremendous size and importance and the practices which have heretofore been accepted and condoned must now be examined in the light of efficiency and usefulness, for if the reputation of the Department as an important part of the Federal governmental structure is to be maintained it is necessary, desirable, and essential that the methods of management and business practice be developed to the highest possible point and that the lessor advantages be not allowed to outweigh the more important elements of economy and efficiency.

UNITED STATES BUREAU OF EFFICIENCY
Washington

November 25, 1932.

MEMORANDUM for Dr. Stockberger,
Department of Agriculture.

SUBJECT: Results accomplished and expected by concentration of bulk storage of supplies and forms for the Department of Agriculture in the Federal Warehouse.

The transfer of bulk storage of the Central Supply Section of the Department of Agriculture to the new Federal Warehouse has already shown results concerning which Mr. Snyder, your section chief; Mr. Nelson, the Department's chief clerk; and Mr. Ashley, chief of the Division of Purchase, Sales and Traffic, have expressed considerable enthusiasm. I wish to outline briefly these results and show how similar beneficial results will accrue to the Department of Agriculture when the contemplated concentration in the Warehouse of stocks from the several bureau storage centers is completed.

The New Federal Warehouse, completed only about two months ago, is as perfect a receiving, storing and shipping center for Government supplies as modern planning can devise. Its location on the railroad at 9th and E Sts. S. W. makes it accessible to all Federal departments and especially so to the Department of Agriculture.

The Department of Agriculture, at the request of the Secretary has been assigned the fourth floor of this building for the purpose of concentrating stores of supplies and forms now scattered in fourteen separate departmental and bureau storage centers, all of which are poorly adapted to supply purposes. From these fourteen storage centers it has been the Department's practice to meet needs of the offices in Washington, and of field services. It has been found that about 60 per cent of the stocks in the majority of these centers is packed and shipped to field offices.

The bulk stores of the Department's Central Supply Section have been nearly all moved to the Warehouse. The broken package stores of this section, for distribution to the Department's service in Washington, are stored in the east wing, basement, of the South Building, easily accessible to all buildings in its vicinity.

The transfer of the Department's Central Supply Section bulk stocks to the Warehouse has already shown the following results:

(1) Arrangement in the Warehouse is being made to provide ample aisle space, and complete visibility and accessibility of each stock item. The transfer from the dark, inaccessible and poorly arranged (for supply purposes) basement

of the Administration Building brought to light stores which the Central Supply Section did not know were in its possession, a condition which cannot recur in the Warehouse.

(2) Already it has become apparent that smaller quantities of stocks may be maintained in the case of many items hitherto bought in large quantities, due in part to poor space facilities for stock inventories. Ready access to stocks of the General Supply Committee in the same building will also decrease the stocks which the Department's Central Supply Section need keep on hand.

(3) Packing and shipping goods for field delivery is proving much easier at the Warehouse. Stocks are accessible and do not have to be moved about, as hitherto, to get out goods for shipment and to find room for new receipts. Field shipments are going along smoothly and with no delay, while four men are engaged in moving the stock from the Administration Building to the Warehouse; this shows that these four men who hitherto were engaged in constantly moving stock about in the old quarters would not be needed at the Warehouse were it not for the fact that the bulk stocks of the several bureaus remain

to be moved to the Warehouse and consolidated with those of the Central Supply Section.

(4) It is easy now to always take the oldest stock for use in Washington or for field shipment, an advantage impossible under the former storage conditions. This will prevent obsolescence and wastage. Physical inventories may also now be taken easily and promptly.

(5) Much expensive transportation of supplies in Washington will be avoided due to the fact that supplies destined for field shipment will no longer have to be trucked across the city from the railroad or from the General Supply Committee stock to the Department of Agriculture, and after packing trucked back again to the railroad. The Federal Warehouse is on a railroad siding by which supplies are received and packages for field shipment are sent out. This saving in truckage also applies to the 40 per cent of the Department's stock used in Washington, as receipts of bulk stock from the General Supply Committee need no longer be trucked; replenishment of broken package stock for Washington use in the South Building will be systematically made with a minimum of truckage from the Warehouse only a quarter of a mile away. Likewise, receipts of stock in bulk from out-of-town

contractors will be at prices which will doubtless reflect the saving to them in truckage in Washington.

(6) Storage conditions in the Warehouse are such as preserve supplies from wastage from dust, dampness and vermin. The floors are dust-proof and the building is equipped with a built-in vacuum cleaning system. The supplies of the Department's Central Supply Section while in the basement of the Administration Building were very inaccessible for cleaning, and were twice subjected to a heavy influx of rain water which each time dampened the entire space occupied and required the shifting of most of the stock.

(7) The storage of bulk stocks in the basement of the Administration Building has presented a fire hazard to these stocks and to surrounding areas. The store-rooms were unsprinklered and the storage was so crowded as to make fire-fighting about impossible. Destructive fires frequently start in supply rooms; the Treasury Department has had two expensive fires in recent years in its supplies, and the Federal Trade Commission fire started in the supply room. No danger to supplies or building can arise in the Warehouse which is fully fire-resistive, provided with ample fire walls and fire doors, sprinklered, and equipped with every

necessary first aid appliance.

(8) The transfer of bulk stocks to the Warehouse has already made available to the Department many thousands of square feet of floor space which are very well adapted to other important uses, but not to supply purposes.

The advantages to the Department from the transfer of bulk stocks from the storage areas of the several bureaus to the Federal Warehouse will be more important than those (above summarized) which have become apparent by the transfer of the bulk stocks of the Department's Central Supply Section to the Warehouse.

The Bureau of Agricultural Economics' extensive supplies, including bureau forms, are soon to be transferred from the "F" temporary building to the Warehouse where they will be under the custody of the Central Supply Section, which will consolidate all common stocks with its own identical items and will assume responsibility for packing and shipping field shipments. Distribution of supplies to meet current needs of the bureau in Washington will be made from the broken stock stores of the Central Supply Section in the South Building. This consolidation and similar consolidation by the Central Supply Section of stocks and of shipping

and distribution functions for the other bureaus of the Department will give the following advantages:

(1) Reduction of total storage space occupied by live stores of the Department and all of its bureaus from over 70,000 square feet to 47,000 square feet in the Warehouse and about 8,000 square feet in the South Building. This space will later be considerably reduced by reduction in total quantity of stock kept, the central stock of the Department needing to be much less to insure against shortage than those (combined) now kept by the bureaus. Replenishment at the Warehouse may also be frequently made from General Supply Committee stocks, thus reducing the space there required by the Department. The saving in floor space will be largely due to perfect storage conditions at the Warehouse as against floor conditions in many of the present bureau supply centers which make it impossible to pile high for fear of floor collapse. This is especially true in the case of the stores of the Bureaus of Agricultural Economics and Animal Industry in the "F" temporary building. The two old houses used for storing at least $50,000 worth of laboratory glassware and other laboratory supplies in the joint ownership of the Food and Drug Administration and the Bureau of Chemistry and Soils are so arranged as to make

economical storage impossible. The total 47,000 square feet of floor space assigned to the Department in the Warehouse will be saved to the Department as a similar amount of space in its own buildings would otherwise be used for supply storage, at least until reductions in total stocks on hand should be made possible by Departmental consolidation.

(2) Without question the present bureau stocks are larger than need be the case when they are transferred to the Central Supply Section. Inaccessible stores, inadequate running inventories, failure to make frequent physical counts have all contributed towards overstocking. Physical inventories taken as of July 1, 1932, for the survey of the Bureau of Efficiency disclosed that in many bureaus stocks run for specific items all the way from a quarter year's to a ten years' supply. With consolidated stores not more than one-half the present stock should be required.

(3) It is estimated that seventeen or eighteen storekeepers, stock clerks and laborers now used by the Central Supply Section and several bureaus on supply work may be spared after the consolidation has been made effective. This should save about $25,000 yearly. This saving in personnel will result from accessibility of stocks,

concentration of receiving, storing and shipping forces and inventory clerks, and consolidation of preparation of purchase orders for identical items now purchased by several bureaus.

(4) Wastage and obsolescence due to the present poor storage conditions in several bureaus will be eliminated.

(5) Transportation expense for hauling supplies from railroad sidings, the General Supply Committee stores or the Departmental Central Supply Section to bureau storage centers, and then after packing for field shipment back to railroad sidings will be eliminated.

(6) Storage conditions in most of the bureaus unavoidably lead to dirty stock with consequent wastage. This will be avoided in the Warehouse.

(7) Fire hazards to stock and surrounding areas now strikingly present in bureau stock rooms will be eliminated in the Warehouse.

(8) Several of the bureau storage centers unavoidably invite pilferage, a condition which will not exist under the consolidation now in process.

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